



OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

ANNISE D. PARKER

February 5, 2007

The Honorable Bill White, Mayor
City of Houston, Texas

SUBJECT: Convention and Entertainment Facilities Department
Travel Cost Compliance Audit – (Report No. 2007-10)

Dear Mayor White:

The City Controller's Office Audit Division has completed a travel cost compliance audit of the Convention and Entertainment Facilities Department (Department) covering the period July 1, 2005 through June 30, 2006. The audit's objective was to determine whether travel expenses are supported, computed, approved and reported in compliance with Administrative Procedure 2-5 and with the departmental Policy on Client Entertainment.

The report, attached for your review, concludes that the Department is in compliance with Administrative Procedure 2-5 and with its own Policy on Client Entertainment. Draft copies of the report were provided to Department officials.

We appreciate the cooperation extended to our auditors by Department personnel during the course of the audit.

Respectfully submitted,

Annise D. Parker
City Controller

xc: City Council Members

Anthony Hall, Jr., Chief Administrative Officer

Michael Moore, Chief of Staff, Mayor's Office

Dawn Ullrich, Director, Convention and Entertainment Facilities Department

Judy Gray Johnson, Director, Finance and Administration Department

SCOPE AND PURPOSE

We have completed a travel cost compliance audit of the Convention and Entertainment Facilities Department. The audit's objective was to determine if travel expenses were supported, computed, approved and reported in compliance with Administrative Procedure 2-5 and with departmental Policy on Client Entertainment. The audit scope period was from July 1, 2005 through June 30, 2006. The Department incurred approximately \$60,000 in training and non-training related travel expenses during this period.


The scope of our work did not constitute an evaluation of the overall internal control structure of the Department. Our examination was designed to evaluate and test compliance with Administrative Procedure 2-5 and with departmental Policy on Client Entertainment.

Department management is responsible for establishing and maintaining a system of internal controls to adequately comply with Administrative Procedure 2-5 and with departmental Policy on Client Entertainment. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or theft, and that transactions are executed in accordance with management's authorization and are recorded properly.


Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected timely. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with procedures may deteriorate.

CONCLUSION

Based on the results of our audit, we conclude that the Department is in compliance with Administrative Procedure 2-5 and with its own departmental Policy on Client Entertainment. Several non-reportable issues were communicated to the Department's management for corrective actions.


George G. Wakgira
Auditor-in-charge


Richard P. Martinez
Audit Manager


Steve Schoonover
City Auditor